

News Release

To: Business Editor

1st August 2019
For immediate release

The following announcement was issued today to a Regulatory Information Service approved by the Financial Conduct Authority in the United Kingdom.

HONGKONG LAND HOLDINGS LIMITED HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2019

Highlights

- Underlying profit up 2%
- Increased operating profits offset by higher financing charges
- One new project acquired in Wuhan

“The solid performance from the Group’s Investment Properties is expected to continue in the second half of the year, while higher profits are anticipated from the Group’s Development Properties primarily as a result of more sales completions in mainland China.”

Ben Keswick
Chairman

Results

	(unaudited)		
	Six months ended 30th June		
	2019	2018	Change
	US\$m	US\$m	%
Underlying profit attributable to shareholders [#]	466	455	+2
Profit attributable to shareholders	411	1,124	-63
Shareholders’ funds	38,501	38,342*	-
Net debt	3,881	3,564*	+9
	US¢	US¢	%
Underlying earnings per share [#]	19.96	19.39	+3
Earnings per share	17.61	47.90	-63
Interim dividend per share	6.00	6.00	-
	US\$	US\$	%
Net asset value per share	16.50	16.43*	-
[#] The Group uses ‘underlying profit attributable to shareholders’ in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 7 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group’s underlying business performance. * At 31st December 2018			

The interim dividend of US¢6.00 per share will be payable on 17th October 2019 to shareholders on the register of members at the close of business on 23rd August 2019.

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HONGKONG LAND HOLDINGS LIMITED
HALF-YEARLY RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2019

OVERVIEW

The Group's results benefited from increased contributions from both Investment Properties and Development Properties partially offset by higher financing costs due to land acquisitions. Similar to last year, higher profits from Development Properties are expected in the second half of the year due to higher sales completions in mainland China.

PERFORMANCE

Underlying profit attributable to shareholders during the first half was US\$466 million, compared with US\$455 million in the equivalent period in 2018.

Including net losses of US\$55 million arising primarily on the revaluation of the Group's investment properties, the profit attributable to shareholders for the first half of the year was US\$411 million. This compares with a profit of US\$1,124 million for the first half of 2018, which included net gains of US\$669 million arising from property revaluations.

The net asset value per share at 30th June 2019 was US\$16.50, compared to US\$16.43 at 31st December 2018.

The Directors have declared an unchanged interim dividend of US¢6.00 per share.

GROUP REVIEW

Investment Properties

Rental reversions were positive at the Group's Hong Kong office portfolio as market supply remained tight even while leasing enquiries continued to be slow. While the Group's Central office vacancy was 2.8% at the end of June 2019, it would have been 1.6% taking account of new lease commitments. At the end of 2018, office vacancy was 1.4%. The Group's average office rent rose to HK\$116 per sq. ft in the first half of 2019, compared to HK\$111 per sq. ft and HK\$114 per sq. ft in the first and second halves of 2018, respectively. The Group's Central retail portfolio remains effectively fully occupied, with positive base rental reversions. The average retail rent increased to HK\$239 per sq. ft in the first half of 2019, compared with HK\$231 per sq. ft and HK\$236 per sq. ft in the first and second halves of 2018, respectively. The value of the Group's Investment Properties portfolio in Hong Kong remained largely unchanged.

In Singapore, vacancy across the Group's office portfolio was 3.3% at the end of June 2019, compared with 2.5% at the end of 2018. On a committed basis, vacancy was 0.9%. Rental reversions were positive, with the average office rent increasing to S\$9.6 per sq. ft in the first half of 2019, compared with S\$9.1 per sq. ft and S\$9.2 per sq. ft in the first and second halves of 2018, respectively.

In Beijing, WF CENTRAL is performing within expectations. Its hotel component, Mandarin Oriental Wangfujing, opened in March 2019.

In Bangkok, the planning of the Group's 49%-owned mixed-use retail and Grade A office development in the central business district is well underway, with construction expected to commence in early 2020 and completion scheduled for 2025.

Development Properties

In mainland China, the profit contribution from Development Properties in the first half of 2019 increased compared to the first half of 2018, due to higher sales completions, while the Group's attributable interest in contracted sales in the first half of 2019 was US\$643 million, compared to US\$650 million and US\$928 million in the first and second halves of 2018, respectively. Market sentiment in the Group's core markets remains stable. At 30th June 2019, the Group had US\$1,714 million in sold but unrecognised contracted sales, compared with US\$1,358 million at the end of 2018. Both sales completions and contracted sales are in line with expectations and are expected to strengthen in the second half of the year.

During the period, the Group acquired a residential site with a developable area of 226,000 sq. m in southwestern Wuhan. Construction is expected to commence later this year with completion in 2022.

The profit contribution from the Singapore business was lower than the prior year. In 2018, profits were recognised on completion of the 1,327-unit Sol Acres executive condominium development. Pre-sales are progressing satisfactorily at the 309-unit Margaret Ville and the 1,404-unit Parc Esta projects. Construction of both projects is scheduled to complete by 2021. In addition, the planning of the 638-unit Tulip Garden project is progressing well, with the initial sales launch scheduled before the end of the year.

The Group's joint venture projects in the rest of Southeast Asia are performing within expectations.

Financing

The Group's financial position remains strong. Net debt increased to US\$3.9 billion at 30th June 2019 from US\$3.6 billion at the end of 2018, primarily due to the new site acquired in Wuhan and deposits paid for recent land auctions. Net gearing was 10% compared with 9% at the end of 2018.

PEOPLE

Mr Charles Allen-Jones stepped down from the Board on 8th May 2019. We would like to express our gratitude for the significant contribution he made to the Group over many years.

OUTLOOK

The solid performance from the Group's Investment Properties is expected to continue in the second half of the year, while higher profits are anticipated from the Group's Development Properties primarily as a result of more sales completions in mainland China.

Ben Keswick
Chairman

Hongkong Land Holdings Limited
Consolidated Profit and Loss Account

	(unaudited)								
	2019			Six months ended 30th June 2018			Year ended 31st December 2018		
	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m
Revenue (<i>note 2</i>)	803.9	-	803.9	1,515.9	-	1,515.9	2,665.4	-	2,665.4
Net operating costs (<i>note 3</i>)	(334.0)	32.5	(301.5)	(997.2)	8.3	(988.9)	(1,576.1)	20.1	(1,556.0)
Change in fair value of investment properties	-	(74.4)	(74.4)	-	665.4	665.4	-	1,222.4	1,222.4
Operating profit (<i>note 4</i>)	469.9	(41.9)	428.0	518.7	673.7	1,192.4	1,089.3	1,242.5	2,331.8
Net financing charges									
- financing charges	(100.0)	-	(100.0)	(78.2)	-	(78.2)	(170.7)	-	(170.7)
- financing income	40.6	-	40.6	26.0	-	26.0	56.4	-	56.4
	(59.4)	-	(59.4)	(52.2)	-	(52.2)	(114.3)	-	(114.3)
Share of results of associates and joint ventures (<i>note 5</i>)	127.2	(9.9)	117.3	73.6	(1.4)	72.2	265.1	188.6	453.7
Profit before tax	537.7	(51.8)	485.9	540.1	672.3	1,212.4	1,240.1	1,431.1	2,671.2
Tax (<i>note 6</i>)	(72.2)	(2.4)	(74.6)	(85.7)	(2.0)	(87.7)	(206.3)	(7.8)	(214.1)
Profit after tax	465.5	(54.2)	411.3	454.4	670.3	1,124.7	1,033.8	1,423.3	2,457.1
Attributable to:									
Shareholders of the Company (<i>note 7 and 8</i>)	465.9	(55.0)	410.9	455.1	669.3	1,124.4	1,036.1	1,421.0	2,457.1
Non-controlling interests	(0.4)	0.8	0.4	(0.7)	1.0	0.3	(2.3)	2.3	-
	465.5	(54.2)	411.3	454.4	670.3	1,124.7	1,033.8	1,423.3	2,457.1
	US¢		US¢	US¢		US¢	US¢		US¢
Earnings per share (<i>note 8</i>)	19.96		17.61	19.39		47.90	44.24		104.92

Hongkong Land Holdings Limited
Consolidated Statement of Comprehensive Income

	2019 US\$m	(unaudited) Six months ended 30th June 2018 US\$m	Year ended 31st December 2018 US\$m
Profit for the period	411.3	1,124.7	2,457.1
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	-	-	(2.6)
Tax on items that will not be reclassified	-	-	0.4
	-	-	(2.2)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net gain/(loss) arising during the period	88.6	(179.4)	(197.7)
- transfer to profit and loss	-	-	0.3
	88.6	(179.4)	(197.4)
Cash flow hedges			
- net gain/(loss) arising during the period	13.8	4.0	(2.8)
- transfer to profit and loss	(1.5)	(1.5)	(2.6)
	12.3	2.5	(5.4)
Tax relating to items that may be reclassified	(2.0)	(0.4)	0.9
Share of other comprehensive income/(expense) of associates and joint ventures	22.7	(88.4)	(156.7)
	121.6	(265.7)	(358.6)
Other comprehensive income/(expense) for the period, net of tax	121.6	(265.7)	(360.8)
Total comprehensive income for the period	532.9	859.0	2,096.3
Attributable to:			
Shareholders of the Company	532.6	859.8	2,100.4
Non-controlling interests	0.3	(0.8)	(4.1)
	532.9	859.0	2,096.3

Hongkong Land Holdings Limited
Consolidated Balance Sheet

	2019	(unaudited) At 30th June 2018	At 31st December 2018
	US\$m	US\$m	US\$m
Net operating assets			
Tangible fixed assets	131.3	119.9	133.7
Right-of-use assets	13.9	-	-
Investment properties (<i>note 10</i>)	33,815.4	33,068.7	33,712.1
Associates and joint ventures (<i>note 11</i>)	7,152.5	5,810.0	6,694.7
Other investments	114.5	110.8	122.8
Non-current debtors	39.9	25.6	24.0
Deferred tax assets	18.6	17.2	13.9
Pension assets	-	0.1	-
Non-current assets	41,286.1	39,152.3	40,701.2
Properties for sale	2,065.8	2,508.1	1,983.0
Current debtors	985.0	568.6	892.2
Current tax assets	25.9	15.8	11.4
Bank balances	1,153.9	1,769.3	1,375.2
Current assets	4,230.6	4,861.8	4,261.8
Current creditors	(1,640.0)	(1,486.0)	(1,337.3)
Current borrowings (<i>note 12</i>)	(705.4)	(354.6)	(793.8)
Current tax liabilities	(119.9)	(128.3)	(119.4)
Current liabilities	(2,465.3)	(1,968.9)	(2,250.5)
Net current assets	1,765.3	2,892.9	2,011.3
Long-term borrowings (<i>note 12</i>)	(4,329.0)	(4,539.5)	(4,145.2)
Deferred tax liabilities	(176.8)	(158.2)	(167.4)
Pension liabilities	(3.9)	(0.5)	(3.3)
Non-current creditors	(12.7)	(29.3)	(27.1)
	38,529.0	37,317.7	38,369.5
Total equity			
Share capital	233.4	234.0	233.4
Share premium	257.3	301.6	257.3
Revenue and other reserves	38,010.0	36,750.0	37,850.8
Shareholders' funds	38,500.7	37,285.6	38,341.5
Non-controlling interests	28.3	32.1	28.0
	38,529.0	37,317.7	38,369.5

Hongkong Land Holdings Limited
Consolidated Statement of Changes in Equity

	Share capital US\$m	Share premium US\$m	Revenue reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Attributable to shareholders of the Company US\$m	Attributable to non-controlling interests US\$m	Total equity US\$m
Six months ended 30th June 2019 (unaudited)								
At 1st January 2019	233.4	257.3	38,352.7	(8.8)	(493.1)	38,341.5	28.0	38,369.5
Total comprehensive income	-	-	410.9	9.5	112.2	532.6	0.3	532.9
Dividends paid by the Company (note 9)	-	-	(373.4)	-	-	(373.4)	-	(373.4)
At 30th June 2019	<u>233.4</u>	<u>257.3</u>	<u>38,390.2</u>	<u>0.7</u>	<u>(380.9)</u>	<u>38,500.7</u>	<u>28.3</u>	<u>38,529.0</u>
Six months ended 30th June 2018 (unaudited)								
At 1st January 2018	235.3	386.9	36,367.0	(7.7)	(139.7)	36,841.8	34.7	36,876.5
Total comprehensive income	-	-	1,124.4	4.9	(269.5)	859.8	(0.8)	859.0
Dividends paid by the Company (note 9)	-	-	(329.4)	-	-	(329.4)	-	(329.4)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(1.8)	(1.8)
Share repurchase	(1.3)	(85.3)	-	-	-	(86.6)	-	(86.6)
At 30th June 2018	<u>234.0</u>	<u>301.6</u>	<u>37,162.0</u>	<u>(2.8)</u>	<u>(409.2)</u>	<u>37,285.6</u>	<u>32.1</u>	<u>37,317.7</u>
Year ended 31st December 2018								
At 1st January 2018	235.3	386.9	36,367.0	(7.7)	(139.7)	36,841.8	34.7	36,876.5
Total comprehensive income	-	-	2,454.9	(1.1)	(353.4)	2,100.4	(4.1)	2,096.3
Dividends paid by the Company	-	-	(469.8)	-	-	(469.8)	-	(469.8)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(2.6)	(2.6)
Unclaimed dividends forfeited	-	-	0.6	-	-	0.6	-	0.6
Share repurchase	(1.9)	(129.6)	-	-	-	(131.5)	-	(131.5)
At 31st December 2018	<u>233.4</u>	<u>257.3</u>	<u>38,352.7</u>	<u>(8.8)</u>	<u>(493.1)</u>	<u>38,341.5</u>	<u>28.0</u>	<u>38,369.5</u>

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Hongkong Land Holdings Limited
Consolidated Cash Flow Statement

	(unaudited) Six months ended 30th June 2019 US\$m	2018 US\$m	Year ended 31st December 2018 US\$m
Operating activities			
Operating profit	428.0	1,192.4	2,331.8
Depreciation and amortisation	6.5	2.0	4.2
Change in fair value of investment properties	74.4	(665.4)	(1,222.4)
Gain on disposal/change in fair value of other investments	(32.5)	(8.3)	(20.1)
(Increase)/decrease in properties for sale	(98.6)	(157.5)	105.9
Increase in debtors	(52.0)	(61.8)	(250.0)
Increase/(decrease) in creditors	216.1	(45.1)	(185.2)
Interest received	24.8	20.8	44.8
Interest and other financing charges paid	(95.8)	(85.7)	(171.7)
Tax paid	(87.2)	(55.3)	(172.1)
Dividends from associates and joint ventures	54.1	36.5	139.2
Cash flows from operating activities	437.8	172.6	604.4
Investing activities			
Major renovations expenditure	(49.8)	(42.8)	(93.0)
Developments capital expenditure	(16.5)	(38.1)	(57.4)
Investments in and advances to associates and joint ventures	(328.4)	(296.6)	(978.4)
Payment of deposit for a joint venture	-	-	72.9
Proceeds on disposal of other investments	38.8	-	-
Cash flows from investing activities	(355.9)	(377.5)	(1,055.9)
Financing activities			
Drawdown of borrowings	626.0	1,131.8	2,721.5
Repayment of borrowings	(570.6)	(333.8)	(1,883.9)
Principal elements of lease payments	(2.2)	-	-
Dividends paid by the Company	(369.2)	(326.4)	(466.6)
Dividends paid to non-controlling shareholders	-	(1.4)	(2.5)
Share repurchase	-	(86.6)	(131.5)
Cash flows from financing activities	(316.0)	383.6	237.0
Net cash (outflow)/inflow	(234.1)	178.7	(214.5)
Cash and cash equivalents at beginning of period	1,368.9	1,616.6	1,616.6
Effect of exchange rate changes	14.2	(27.6)	(33.2)
Cash and cash equivalents at end of period	1,149.0	1,767.7	1,368.9

Hongkong Land Holdings Limited
Notes to Condensed Financial Statements

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on a going concern basis. The condensed financial statements have not been audited or reviewed by the Group's auditors pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

The Group has adopted IFRS 16 'Leases' from 1st January 2019:

IFRS 16 'Leases'

The standard replaces IAS 17 'Leases' and related interpretations and introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. The distinction between operating and finance leases is removed for lessee accounting, and is replaced by a model where a lease liability and a corresponding right-of-use asset have to be recognised on the balance sheet for almost all leases by the lessees. The Group's recognised right-of-use assets relate to property leases, which are entered into for use as offices, motor vehicles and equipment. Prior to 2019, payments made under operating leases were charged to profit and loss on a straight-line basis over the period of the lease. From 1st January 2019, each lease payment is allocated between settlement of the lease liability and finance cost. The finance cost is charged to profit and loss over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In addition, leasehold land which represents payments to third parties to acquire interests in property, previously included in tangible assets, is now presented under right-of-use assets. Leasehold land is amortised over the useful life of the lease, which includes the renewal period if the lease is likely to be renewed by the Group without significant cost.

The accounting for lessors does not change significantly.

IFRS 16 affects primarily the accounting for the Group's operating leases. It does not have a significant effect on the Group's profit and financial position.

The other amendments or interpretations, which are effective in 2019 and relevant to the Group's operations, do not have a significant effect on the Group's accounting policies.

The Group has not early adopted any standard or amendments that have been issued but not yet effective.

2. REVENUE

	Six months ended 30th June	
	2019	2018
	US\$m	US\$m
Rental income	509.6	484.1
Service income	75.3	76.4
Sales of properties		
- recognised at a point in time	33.6	783.9
- recognised over time	185.4	171.5
	219.0	955.4
	803.9	1,515.9
<i>By business</i>		
Investment Properties	581.2	556.3
Development Properties	222.7	959.6
	803.9	1,515.9

3. NET OPERATING COSTS

	Six months ended 30th June	
	2019	2018
	US\$m	US\$m
Cost of sales	(256.7)	(926.2)
Other income	11.6	8.3
Administrative expenses	(88.9)	(79.3)
Gain on disposal/change in fair value of other investments	32.5	8.3
	(301.5)	(988.9)

4. OPERATING PROFIT

	Six months ended 30th June	
	2019	2018
	US\$m	US\$m
<i>By business</i>		
Investment Properties	482.6	456.6
Development Properties	27.5	96.0
Corporate	(40.2)	(33.9)
Underlying business performance	469.9	518.7
Change in fair value of investment properties	(74.4)	665.4
Gain on disposal/change in fair value of other investments	32.5	8.3
	428.0	1,192.4

5. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Six months ended 30th June	
	2019	2018
	US\$m	US\$m
<i>By business</i>		
Investment Properties		
- operating profit	72.0	72.9
- net financing charges	(25.9)	(21.4)
- tax	(8.5)	(8.6)
- net profit	37.6	42.9
Development Properties		
- operating profit	166.0	52.2
- net financing (charges)/income	(7.7)	5.6
- tax	(61.1)	(24.7)
- non-controlling interests	(7.6)	(2.4)
- net profit	89.6	30.7
Underlying business performance	127.2	73.6
Change in fair value of investment properties (net of deferred tax)	(9.9)	(1.4)
	117.3	72.2

6. TAX

	Six months ended 30th June	
	2019	2018
	US\$m	US\$m
Tax charged to profit and loss is analysed as follows:		
Current tax	(72.5)	(65.4)
Deferred tax		
- changes in fair value of investment properties	(2.4)	(2.0)
- other temporary differences	0.3	(20.3)
	(74.6)	(87.7)
Tax relating to components of other comprehensive income is analysed as follows:		
Cash flow hedges	(2.0)	(0.4)

Tax on profits has been calculated at the rates of taxation prevailing in the territories in which the Group operates.

Share of tax charge of associates and joint ventures of US\$68.6 million (2018: US\$36.7 million) is included in share of results of associates and joint ventures.

7. NON-TRADING ITEMS

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties and on equity investments which are fair value through profit and loss; gains and losses arising from the sale of businesses, investments and investment properties; impairment of non-depreciable intangible assets and other investments; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

An analysis of non-trading items attributable to shareholders is set out below:

	Six months ended 30th June	
	2019 US\$m	2018 US\$m
Change in fair value of investment properties	(74.4)	665.4
Deferred tax on change in fair value of investment properties	(2.4)	(2.0)
Share of change in fair value of investment properties of associates and joint ventures (net of deferred tax)	(9.9)	(1.4)
Gain on disposal/change in fair value of other investments	32.5	8.3
Non-controlling interests	(0.8)	(1.0)
	<u>(55.0)</u>	<u>669.3</u>

8. EARNINGS PER SHARE

Earnings per share are calculated on profit attributable to shareholders of US\$410.9 million (2018: US\$1,124.4 million) and on the weighted average number of 2,333.9 million (2018: 2,347.2 million) shares in issue during the period.

Earnings per share are additionally calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

	Six months ended 30th June			
	2019		2018	
	US\$m	Earnings per share US¢	US\$m	Earnings per share US¢
Underlying profit attributable to shareholders	465.9	19.96	455.1	19.39
Non-trading items (note 7)	(55.0)		<u>669.3</u>	
Profit attributable to shareholders	<u>410.9</u>	<u>17.61</u>	<u>1,124.4</u>	47.90

9. DIVIDENDS

	Six months ended 30th June	
	2019	2018
	US\$m	US\$m
Final dividend in respect of 2018 of US¢16.00 (2017: US¢14.00) per share	<u>373.4</u>	<u>329.4</u>

An interim dividend in respect of 2019 of US¢6.00 (2018: US¢6.00) per share amounting to a total of US\$140.0 million (2018: US\$140.4 million) is declared by the Board and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2019.

10. INVESTMENT PROPERTIES

	Six months ended 30th June		Year ended 31st December
	2019	2018	2018
	US\$m	US\$m	US\$m
Net book value at beginning of period	33,712.1	32,481.0	32,481.0
Exchange differences	77.0	(145.2)	(109.3)
Additions	100.7	67.5	118.0
(Decrease)/increase in fair value	(74.4)	665.4	1,222.4
Net book value at end of period	<u>33,815.4</u>	<u>33,068.7</u>	<u>33,712.1</u>

11. ASSOCIATES AND JOINT VENTURES

	Six months ended 30th June		Year ended 31st December
	2019	2018	2018
	US\$m	US\$m	US\$m
<i>By business</i>			
Investment Properties	3,944.4	3,713.8	3,908.4
Development Properties	<u>3,208.1</u>	<u>2,096.2</u>	<u>2,786.3</u>
	<u>7,152.5</u>	<u>5,810.0</u>	<u>6,694.7</u>

12. BORROWINGS

	2019 US\$m	At 30th June 2018 US\$m	At 31st December 2018 US\$m
<i>Current</i>			
Bank overdrafts	4.9	1.6	6.3
Bank loans	286.4	235.2	154.8
Current portion of long-term borrowings			
- bank loans	8.4	117.8	530.6
- notes	405.7	-	102.1
	705.4	354.6	793.8
<i>Long-term</i>			
Bank loans	1,494.7	1,708.2	1,106.4
Notes			
- due 2019	-	101.9	-
- due 2020	-	301.6	302.1
- due 2021	66.1	64.6	65.3
- due 2022	614.5	599.6	604.7
- due 2023	178.4	177.5	178.0
- due 2024	407.1	396.3	399.6
- due 2025	648.0	649.3	648.7
- due 2026	38.4	38.2	38.3
- due 2027	185.2	184.2	184.7
- due 2028	181.9	78.9	181.4
- due 2029	50.6	50.3	50.5
- due 2030	102.4	102.0	102.2
- due 2031	25.3	25.2	25.2
- due 2032	30.2	30.0	30.1
- due 2033	88.8	-	88.6
- due 2034	76.9	-	-
- due 2038	108.6	-	107.6
- due 2040	31.9	31.7	31.8
	2,834.3	2,831.3	3,038.8
	<u>4,329.0</u>	<u>4,539.5</u>	<u>4,145.2</u>
	<u>5,034.4</u>	<u>4,894.1</u>	<u>4,939.0</u>

13. FINANCIAL INSTRUMENTS

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2019 and 31st December 2018 are as follows:

	Fair value of hedging instruments US\$m	Fair value through profit and loss US\$m	Financial assets at amortised costs US\$m	Other financial liabilities at amortised costs US\$m	Total carrying amount US\$m	Fair value US\$m
30th June 2019						
Financial assets measured at fair value						
Other investments						
- equity investments	-	114.5	-	-	114.5	114.5
Derivative financial instruments	22.8	-	-	-	22.8	22.8
	22.8	114.5	-	-	137.3	137.3
Financial assets not measured at fair value						
Debtors						
	-	-	360.5	-	360.5	360.5
Bank balances	-	-	1,153.9	-	1,153.9	1,153.9
	-	-	1,514.4	-	1,514.4	1,514.4
Financial liabilities measured at fair value						
Derivative financial instruments						
	(6.6)	-	-	-	(6.6)	(6.6)
Financial liabilities not measured at fair value						
Borrowings						
	-	-	-	(5,034.4)	(5,034.4)	(5,216.2)
Trade and other payable excluding non-financial liabilities	-	-	-	(728.1)	(728.1)	(728.1)
	-	-	-	(5,762.5)	(5,762.5)	(5,944.3)

13. FINANCIAL INSTRUMENTS (continued)

	Fair value of hedging instruments US\$m	Fair value through profit and loss US\$m	Financial assets at amortised costs US\$m	Other financial liabilities at amortised costs US\$m	Total carrying amount US\$m	Fair value US\$m
31st December 2018						
Financial assets measured at fair value						
Other investments						
- equity investments	-	122.8	-	-	122.8	122.8
Derivative financial instruments	8.1	-	-	-	8.1	8.1
	<u>8.1</u>	<u>122.8</u>	<u>-</u>	<u>-</u>	<u>130.9</u>	<u>130.9</u>
Financial assets not measured at fair value						
Debtors	-	-	258.7	-	258.7	258.7
Bank balances	-	-	1,375.2	-	1,375.2	1,375.2
	<u>-</u>	<u>-</u>	<u>1,633.9</u>	<u>-</u>	<u>1,633.9</u>	<u>1,633.9</u>
Financial liabilities measured at fair value						
Derivative financial instruments	(17.7)	-	-	-	(17.7)	(17.7)
Financial liabilities not measured at fair value						
Borrowings	-	-	-	(4,939.0)	(4,939.0)	(5,019.4)
Trade and other payable excluding non-financial liabilities	-	-	-	(746.0)	(746.0)	(746.0)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,685.0)</u>	<u>(5,685.0)</u>	<u>(5,765.4)</u>

Fair value estimation

(a) Financial instruments that are measured at fair value

For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

(i) *Quoted prices (unadjusted) in active markets for identical assets or liabilities ('quoted prices in active markets')*

The fair values of listed investments are based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

(ii) *Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ('observable current market transactions')*

The fair values of derivative financial instruments are determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps and forward foreign exchange contracts are calculated by reference to market interest rates and foreign exchange rates.

There were no changes in valuation techniques during the six months ended 30th June 2019 and the year ended 31st December 2018.

13. FINANCIAL INSTRUMENTS *(continued)*

The table below analyses financial instruments carried at fair value at 30th June 2019 and 31st December 2018, by the levels in the fair value measurement hierarchy:

	Quoted prices in active markets US\$m	Observable current market transactions US\$m	Total US\$m
30th June 2019			
Assets			
Other investments			
- equity investments	114.5	-	114.5
Derivative financial instruments at fair value			
- through other comprehensive income	-	9.1	9.1
- through profit and loss	-	13.7	13.7
	114.5	22.8	137.3
Liabilities			
Derivative financial instruments at fair value			
- through other comprehensive income	-	(4.5)	(4.5)
- through profit and loss	-	(2.1)	(2.1)
	-	(6.6)	(6.6)
31st December 2018			
Assets			
Other investments			
- equity investments	122.8	-	122.8
Derivative financial instruments at fair value			
- through other comprehensive income	-	2.6	2.6
- through profit and loss	-	5.5	5.5
	122.8	8.1	130.9
Liabilities			
Derivative financial instruments at fair value			
- through other comprehensive income	-	(7.9)	(7.9)
- through profit and loss	-	(9.8)	(9.8)
	-	(17.7)	(17.7)

There were no transfers among the two categories during the six months ended 30th June 2019 and the year ended 31st December 2018.

(b) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances, current creditors, current borrowings and current lease liabilities are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings are based on market prices or are estimated using the expected future payments discounted at market interest rates.

14. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Total capital commitments at 30th June 2019 and 31st December 2018 amounted to US\$872.1 million and US\$1,394.5 million, respectively.

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made in the condensed financial statements.

15. RELATED PARTY TRANSACTIONS

The parent company of the Group is Jardine Strategic Holdings Limited and the ultimate holding company is Jardine Matheson Holdings Limited ('JMHL'). Both companies are incorporated in Bermuda.

In the normal course of business, the Group has entered into a variety of transactions with the subsidiaries, associates and joint ventures of JMHL ('Jardine Matheson group members'). The more significant of these transactions are described below:

Management fee

The management fee payable by the Group, under an agreement entered into in 1995, to Jardine Matheson Limited ('JML') in 2019 was US\$2.3 million (2018: US\$2.3 million), being 0.5% per annum of the Group's underlying profit in consideration for management consultancy services provided by JML, a wholly-owned subsidiary of JMHL.

Property and other services

The Group rented properties to Jardine Matheson group members. Gross rents on such properties in 2019 amounted to US\$12.3 million (2018: US\$11.5 million).

Jardine Matheson group members provided property maintenance and other services to the Group in 2019 in aggregate amounting to US\$23.9 million (2018: US\$25.6 million).

Hotel management services

Jardine Matheson group members provided hotel management services to the Group in 2019 amounting to US\$1.3 million (2018: US\$1.9 million).

Outstanding balances with associates and joint ventures

Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors as appropriate. The amounts are not material.

Hongkong Land Holdings Limited

Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The following have been identified previously as the areas of principal risk and uncertainty facing the Company, and they remain unchanged:

- Economic Risk and Financial Risk
- Commercial Risk
- Regulatory and Political Risk
- Terrorism, Pandemic and Natural Disasters

For greater detail, please refer to page 85 of the Company's Annual Report for 2018, a copy of which is available on the Company's website www.hkland.com.

Responsibility Statement

The Directors of the Company confirm to the best of their knowledge that:

- (a) the condensed financial statements have been prepared in accordance with IAS 34; and
- (b) the interim management report includes a fair review of all information required to be disclosed by the Disclosure Guidance and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Conduct Authority in the United Kingdom.

For and on behalf of the Board

Robert Wong
Simon Dixon

Directors

The interim dividend of US\$6.00 per share will be payable on 17th October 2019 to shareholders on the register of members at the close of business on 23rd August 2019. The shares will be quoted ex-dividend on 22nd August 2019, and the share registers will be closed from 26th to 30th August 2019, inclusive.

Shareholders will receive their cash dividends in United States Dollars, unless they are registered on the Jersey branch register, in which case they will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2019 interim dividend by notifying the United Kingdom transfer agent in writing by 27th September 2019. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 2nd October 2019.

Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends in Sterling only as calculated above. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive their cash dividends in United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 23rd August 2019, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 22nd August 2019.

Hongkong Land Group

Hongkong Land is a major listed property investment, management and development group. Founded in 1889, Hongkong Land's business is built on excellence, integrity and partnership.

The Group owns and manages more than 850,000 sq. m. of prime office and luxury retail property in key Asian cities, principally in Hong Kong, Singapore, Beijing and Jakarta. Its properties attract the world's foremost companies and luxury brands.

The Group's Central Hong Kong portfolio represents some 450,000 sq. m. of prime property. It has a further 165,000 sq. m. of prestigious office space in Singapore mainly held through joint ventures, a luxury retail centre at Wangfujing in Beijing, and a 50% interest in a leading office complex in Central Jakarta. The Group also has a number of high quality residential, commercial and mixed-use projects under development in cities across Greater China and Southeast Asia. In Singapore, its subsidiary, MCL Land, is a well-established residential developer.

Hongkong Land Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's assets and investments are managed from Hong Kong by Hongkong Land Limited. Hongkong Land is a member of the Jardine Matheson Group.

- end -

For further information, please contact:

Hongkong Land Limited

Robert Wong

(852) 2842 8428

Simon Dixon

(852) 2842 8101

Brunswick Group Limited

Annabel Arthur

(852) 3512 5075

As permitted by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, www.hkland.com, together with other Group announcements.